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LIGHTYEAR
Network Solutions

January 19, 2012

Via Overnight Delivery

Ms. Jocelyn Boyd, Chief Clerk & Administrator
South Carolina Public Service Commission
101 Executive Center Drive, Suite 100
Columbia, SC 29210

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SC PUBLIC SERVICE
COMMISSION

Re: Lightyear Network Solutions, LLC ("Lightyear") Docket No. 2011-329-C
Request for Waiver of Bond Requirement under Regulation 103-607 or in the
Alternative, Notification of Intent to Cease Provision of Residential Local Service

Dear Ms. Boyd:

Under Regulation 103-607, which became effective on June 24, 2011, telephone utilities that provide retail residential local exchange services and that have not invested at least \$5 million in facilities in South Carolina are required to post a bond or other security mechanism of no less than \$100,000. By letter dated September 28, 2011, Lightyear, through Robin Norton, Lightyear's Consultant with Technologies Management, Inc., requested a waiver of this bond or other security mechanism. By order issued December 28, 2011 the Commission required the Office of Regulatory Staff ("ORS") to schedule oral arguments to address the waiver requests submitted by Lightyear and other carriers.

Lightyear is a well-established telecommunications carrier operating throughout most of the United States since 2004. We were granted authority to provide facilities-based and resold local exchange services and resold long distance service in South Carolina by order issued November 18, 2004 in Docket No. 2003-369-C. Lightyear provides service by leasing facilities and reselling services of underlying carriers, and hence does not own telecommunications facilities in South Carolina. We provide high quality competitive services to our customers. We have been and continue to be in good standing with all Commission rules and requirements. Nonetheless, the Commission has not determined that such a record warrants approval of Lightyear's requested waiver.

It has recently come to Lightyear's attention that the Commission has, however, granted a waiver of the bond requirement to at least one other carrier, Liberty-Bell Telecom, LLC, pursuant to order issued December 7, 2011 in DN 2011-365-C. Liberty-Bell was a new applicant with no record of service in South Carolina.

We currently have fourteen (14) residential local exchange customers in South Carolina. Our customer base continues to diminish as more and more consumers move to VoIP or wireless services. To require either a bond or letter of credit in any amount can not be justified from our point of view. Similarly, the cost to hire private counsel to represent us at oral argument in this matter would not make financial sense even if the Commission ultimately decided to grant our request to waive the entire

bond as it has done for Liberty-Bell.

Unfortunately, absent approval of the requested waiver, Lightyear has no other option but to cease offering residential local service to our customers in South Carolina. If the Commission decides that it will nevertheless require oral argument before making a final decision regarding our waiver request, we will cease provision of local residential service effective April 1st. We will notify our customers by the middle of February, and give them ample opportunity to move their service to another carrier.

Any questions regarding this filing may be directed to the undersigned at 502-410-1531 or linda.hunt@lightyear.net. Please acknowledge receipt of this filing by date stamping the extra copy of this letter and returning it to me in the self-addressed, stamped envelope that is provided for this purpose.

Sincerely,

A handwritten signature in cursive script that reads "Linda Hunt".

Linda Hunt
Director of Legal and Regulatory Affairs

LH:

cc: Robin Norton
Technologies Management, Inc.